

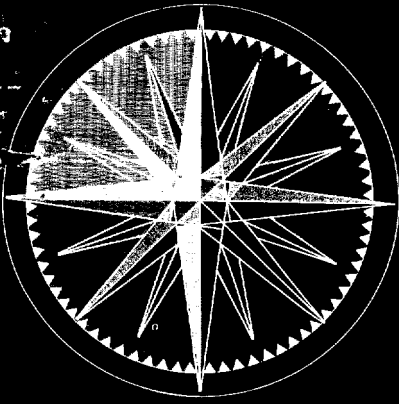
**SECRET**

Approved For Release 2008/11/04 : CIA-RDP79-00927A004100080001-0

2 August 1963

OCI No. 0291/63

Copy No. 79



# WEEKLY SUMMARY

## OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed.

# CENTRAL INTELLIGENCE AGENCY

25X1

**SECRET**

GROUP 1 Excluded from automatic  
declassification

25X1

**Page Denied**

# ***SECRET***

## **C O N T E N T S**

(Information as of 1200 EDT, 1 August 1963)

<u>CUBA</u>	<u>Page</u>
CASTRO'S 26 JULY ADDRESS	1
The Cuban leader's statements on revolution in Latin America were more aggressive than any made by Cuban officials since early this year.	

25X1

<u>THE COMMUNIST WORLD</u>	
COMMUNIST REACTION TO THE TEST BAN ACCORD	3
Khrushchev appears to have made endorsement of the agreement a key test for world Communist support of his policies toward the West; the Chinese are defiantly critical.	
SOVIET BLOC FOREIGN TRADE	5
The Soviet bloc is paying increased attention to the development of trade with the free world, particularly the Western industrial countries.	
THE 1962 AND 1963 CEMA CONFERENCES CONTRASTED	6
The communiqué issued on 28 July suggests that the more grandiose goals of the "new stage" outlined last year have been placed temporarily in abeyance.	

### ASIA-AFRICA

25X1

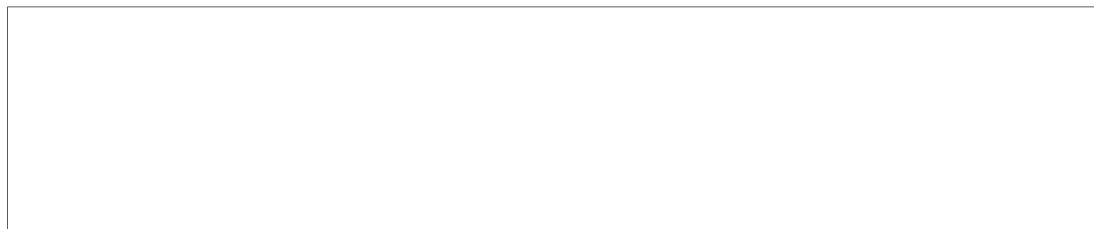
INDIANS FEAR CHINESE PLAN NEW MILITARY MOVES	7
New Delhi's reports of a substantial build-up along the Himalayan border cannot be confirmed. However, Peiping could reoccupy parts of the Northeast Frontier Agency easily and quickly with forces at hand.	

**SECRET**

<u>ASIA-AFRICA (continued)</u>	<u>Page</u>
SUKARNO ALLOWS MALAYSIA PLAN TO PROCEED	8
He has agreed to have the UN secretary general determine the wishes of the Borneo territories and U Thant is prepared to act well before 31 August.	
NEUTRALISTS AND RIGHTISTS STRENGTHEN FORCES IN LAOS	9
Two additional neutralist battalions are being moved to the Plaine des Jarres, and the neutralists are trying to lessen their dependence on Phoumi.	
U THANT STILL PLANNING CONGO WITHDRAWAL	10
Although the program for retraining the Congo army is barely in its preliminary stages, the secretary general intends to have UN troops out by the end of this year.	
GREEK ELECTIONS SET FOR NOVEMBER	11
Recent events appear to have strengthened both the governing party and the Communist-front opposition party.	
HARD-LINE BAATHISTS CONSOLIDATE CONTROL IN SYRIA	12
Major General Hafiz became chairman of the Revolutionary Command Council on 27 July and holds most other key government positions.	

EUROPE

25X1



DE GAULLE AND PARLIAMENT	13
The willingness of some heretofore "safe" deputies to desert the De Gaulle majority on controversial issues is a warning of the danger of ignoring parliament's views in the future.	

AREA NOTES	14
 The Netherlands	

25X6

WESTERN HEMISPHERE

DOMINICAN REPUBLIC	15
President Bosch has become involved in another political crisis as the result of his promotion of a controversial property confiscation bill.	

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page ii

**SECRET**

WESTERN HEMISPHERE (continued)

Page

25X6

- SHOWDOWN MAY BE APPROACHING IN BOLIVIAN MINING CRISIS 16  
Miners' strikes have been suspended since 26 July,  
but an attack by miners on the stronghold of a  
progovernment peasant leader may indicate an  
intention to step up action against the government.
- COMMUNIST TERRORISM CONTINUES IN VENEZUELA 17  
Recent operations of the Communist-led Armed  
Forces of National Liberation have included the  
dynamiting of oil pipelines and attacks on small  
towns.
- AREA NOTES 18  
Guatemala, Nicaragua, Peru

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page iii

**SECRET**

Cuba

**CASTRO'S 26 JULY ADDRESS**

Fidel Castro was in characteristic form in his speech before the mass rally in Havana on 26 July, the highlight of ceremonies marking the tenth anniversary of his revolutionary movement. It was a more aggressive speech on the subject of revolution in Latin America than any official has made in Cuba since early in the year.

Castro exhorted Latin American revolutionaries to action, claiming that conditions in many countries are closer to revolution than was the case in Cuba when he began his own struggle ten years ago. Castro denied that Cuba is providing weapons assistance to revolutionaries in other countries, and argued that Cuba's role is to furnish inspiration and guidance. He sent specific greetings of "solidarity and fraternity" to the "heroic fighters" of Venezuela and Guatemala where, he asserted, the revolution has already reached the state of irreversible action.

Castro sought to demonstrate that the United States is incapable of halting the rising revolutionary tide in Latin America and declared that "we know by experience and conviction that all people who do what the Cuban people have done will have the decided support of the Soviet Union."

In the presence of several hundred Latin American visitors who came to Cuba for the occasion, Castro said that what has happened in Cuba can happen "exactly the same" in many Latin American countries. Many of the Latin American visitors are expected to remain in

Cuba, as they have in past years, for training in the techniques of revolution.

Castro was more insulting and bitter than he has been in many months on the subject of Cuban relations with the United States. He repeated Cuba's willingness to negotiate certain questions with the United States, but declared that "we will not make the slightest ideological concession" or alter Cuba's relationship with the Soviet bloc. He said Cuba can wait, if necessary, "until there is a socialist government in the United States."

Castro berated the US for continuing its "stupid and ruinous" policy of "aggression" against Cuba. He boasted of Cuba's "very powerful" military forces and warned that the US "had better not dream of mercenary invasions, or even of direct invasions." (For details on Castro's remarks on military questions, see the following article.)

Castro devoted the closing portions of his speech to domestic Cuban issues, dwelling on the importance of increasing labor productivity. He also violently attacked the remnants of Cuba's middle class as "parasites" and said Cuba will be a country "more and more of workers and less and less of parasites." He stated that one means of eliminating the problem of the middle class will be the establishment of obligatory military service for all. Another will be to enforce compulsory education, so that the "sons of parasites" do not become "tomorrow's lumpen."

25X1

**SECRET**

**SECRET**

Cuba

**MILITARY DEVELOPMENTS IN CUBA**

Castro's 26 July speech contained only a few references to military affairs. He said that Cuban defense expenditures total 300 million pesos (\$300 million at the official rate). On an annual basis this would be about 15 percent of the Cuban national budget. It probably does not include Soviet military assistance.

Castro mentioned Cuba's "powerful air force," its "considerable naval combat units," and its "seasoned, disciplined army" equipped with the "best and most modern weapons," but did not elaborate on them. He implied Cuban control of coastal defense cruise missiles.

Castro asserted that Cubans are "very, very advanced" in their training with surface-to-air missiles (SAMs). It is unlikely, however, that Cubans will reach the level of training and operational capability implied by Castro until early 1964.

The Komar guided-missile patrol boats in which Cubans have been training for several months probably have been transferred to Cuban control.

25X1

25X1

25X1  
25X1

25X1

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 2

**SECRET**

The Communist World

## COMMUNIST REACTION TO THE TEST BAN ACCORD

Khrushchev in his 26 July interview with Pravda and Izvestia correspondents on the nuclear test ban agreement made clear his intention to engage the West in serious discussions on a wider range of issues. Subsequent Soviet commentary has characterized the final communiqué, in which the US and UK agreed to consult with their allies on the question of a nonaggression pact, as a commitment to further talks.

The Soviet leader is disregarding Peiping's open defiance and, indeed, appears to have made endorsement of the agreement a key test for world Communist support of his policies toward the West. Soviet propaganda is carefully listing all the major powers which have approved the test ban agreement and links the Chinese Communist leadership with De Gaulle and "reactionary madmen" in the US Congress who are opposed to the "universal appeal" for an end to the nuclear arms race.

Khrushchev has moved quickly to represent the agreement as a success for his policies toward the West and to exploit fears of Peiping's own nuclear ambitions in an effort to force Communist China into a more isolated position internationally.

Peiping, clearly on the defensive, has counterattacked with angry propaganda designed to blacken the USSR before the world Communist movement. The chief theme of a major Chinese government statement issued on 31 July was that Moscow has sold out to "imperialism" and perpetrated a "dirty fraud." The statement repeated earlier charges that the treaty in no way reduces the US war-making potential but is aimed mainly at "preventing non-nuclear, peace-loving countries from testing and manufacturing nuclear weapons."

The statement accused the USSR of conspiring with the US against Communist China. Earlier, People's Daily had published a picture of Khrushchev about to embrace Harriman, with an accompanying story in which Khrushchev was quoted by Harriman as saying he had wanted a treaty at this time to show the Chinese that it was possible to coexist peacefully.

The perfidy of the Soviets in reversing themselves on the question of nuclear testing has been heavily attacked in the Chinese press. People's Daily on 29 July published the texts of both the current treaty and the similar version Moscow rejected last August. In the past week many statements made from

**SECRET**

**SECRET**

## The Communist World

1960 to 1962 by Khrushchev and the Soviet Government opposing a partial test ban treaty have been republished in the Chinese press.

Peiping is also insisting defiantly on its right to conduct nuclear tests, which it now implies will occur soon. In a blustering speech on 26 July, Peiping's chief propagandist Kuo Mo-jo declared that no modern weapons are "out of reach of the people" and that the nuclear monopoly of a few powers "can by no means remain for long." [redacted]

[redacted] Such claims

contrast with earlier Chinese Communist statements which generally stressed that it would be a long time before China, with its backward technology, developed nuclear weapons.

Peiping now appears concerned about laying the groundwork for the day when it will have to justify its own nuclear tests. Presumably this was the real reason for its advocacy on 31 July of a total prohibition of nuclear weapons. Expecting that such an unrealistic proposal would be rejected, Peiping could still pose as a champion of peace and at the same time argue that it had no choice but to proceed with the development of its own nuclear capability. [redacted]

25X1

25X1

25X1

25X1

25X1

\* \* \*

**SECRET**

**SECRET**

The Communist World

**SOVIET BLOC FOREIGN TRADE**

The Soviet bloc is paying increasing attention to the development of trade with the free world, particularly the Western industrial countries. Soviet bloc - Western trade accounts for about 40 percent of the total bloc turnover which doubled since 1955 to about \$21.8 billion in 1962. The large portion with the West indicates the current significance of non-bloc supplies and markets. The rapid growth in Soviet bloc foreign trade, substantially faster than the expansion of industrial production in the bloc, clearly shows its importance to the economies of the USSR and the East European satellites.

The East European countries expanded trade relations with underdeveloped countries as part of the Soviet penetration program beginning in 1955. Now, following the lead of the USSR, they are placing emphasis on trade contacts with Western industrial countries. Soviet bloc efforts to improve the quantity and quality of exports are largely based on the need to earn foreign exchange to cover substantial purchases and to finance additional orders from the industrial countries.

Moscow is aware that increased trade with the West can satisfy much of the demand of nationalistic interests and the drive for increased standards of living in the satellites as well as in the USSR. There is a growing tendency in the Soviet bloc, while officially criticizing the restrictive aspects of the Common Market, to accept it and to find ways of assuring increased trade with member countries.

Common Market countries are also seeking external trade growth opportunities. The UK, having failed initially to come to terms with the Common Market, is pushing expanded trade contacts with bloc countries to maintain its foreign trade. Furthermore, among these countries East-West trade has lost the unsavory political connotation it once had.

It is expected that the East European countries will continue to depend heavily on the USSR, the largest single trade partner of each satellite country. Trade among the East European satellites has grown relatively more slowly than their trade with the USSR and this marks the lack of significant progress toward increased satellite interdependence.

25X1

25X1

**SECRET**

COMPARISON OF SELECTED PASSAGES FROM COMMUNIQUE OF MEETINGS OF  
FIRST SECRETARIES OF CEMA COUNTRIES IN JULY 1963 AND JUNE 1962

On CEMA Goals

1963

"Life fully confirms the correctness of the conclusion drawn by the June conference that the 'objective laws governing socialist construction, the rapid development of the productive forces of the countries of socialism, and the community of vital interests of the people of these countries make for increasing rapprochement between separate national economies' (emphasis added). The experience of CEMA member countries in cooperation testifies to the correctness of the basic principles for international socialist division of labor endorsed by the June Conference."

1962

"Participants in the conference considered...a further extension and strengthening of economic cooperation among them, in connection with the entering of the world socialist system into a new stage of development" (emphasis added).

On Coordination

1963

"The bilateral consultations carried out between CEMA countries with the aim of achieving a preliminary agreement of views in the development of the most important branches of the national economy and economic ties over a prolonged period create the best possible basis for a multilateral coordination of plans within the framework of CEMA."

1962

"The conference approved the main principles of the international socialist distribution of labor...and recommended them as a basis for elaborating an effective long-term program for economic cooperation of CEMA countries. It was recognized that the chief method of CEMA activities in the period ahead is the coordination of long-term and current national economy plans of CEMA member countries. This will make it possible to use in the most rational manner resources available in these countries with a view to the speediest possible development of the economy of each country, taking into account a gradual diminution of difference among the levels of economic development and the acceleration of the economic upsurge in the countries of the socialist community. The conference found it necessary to pay particular attention to acceleration of the specialization...of production."

On Mutual Relations

1963

"Developing on the principles of equality, strict observance of sovereignty, mutual comradely assistance, and mutual advantage, the economic cooperation of the socialist countries promotes the victory of new frontiers for the world socialist system in strengthening its economic might, in the development of science and technology, in the raising of the living standard of the working people and in peaceful economic competition with capitalism."

**SECRET**

The Communist World

**THE 1962 AND 1963 CEMA CONFERENCES CONTRASTED**

The communiqué issued by the party first secretaries of CEMA member countries on 28 July suggests that the more grandiose goals of the "new stage" outlined last year--more centralized planning and rapid integration of economies within CEMA--have been placed temporarily in abeyance.

The best example of the more cautious approach is that economic plans for 1966-70 will be coordinated bilaterally. CEMA will continue to work toward gradual expansion of multilateral coordination, but without detriment to the principles of "equality" and strict observance of sovereignty in relations among CEMA members. These important points of the 1959 CEMA charter principles had been omitted from the 1962 communiqué of the first secretaries' conference.

Economic cooperation among CEMA members will continue to be a key policy. For example, plans for establishment of an international bank and for multilateral clearing of trade accounts are progressing. The communiqué reaffirmed the principle of multilateral cooperation set forth in 1962. However, it gave considerably less emphasis to the terms "socialist division of labor" and "specialization of production."

The 1963 conference approved the changes made last year to strengthen the central organization of CEMA. The 1962 conference had also emphasized "coor-

dination" of national economic plans but left the way free for an eventual transition to supranational planning. Full implementation of the goals set forth in 1962 would have required each CEMA member to give up some national autonomy in order to contribute to the whole; and the 1962 communiqué did not mention national sovereignty or national interest.

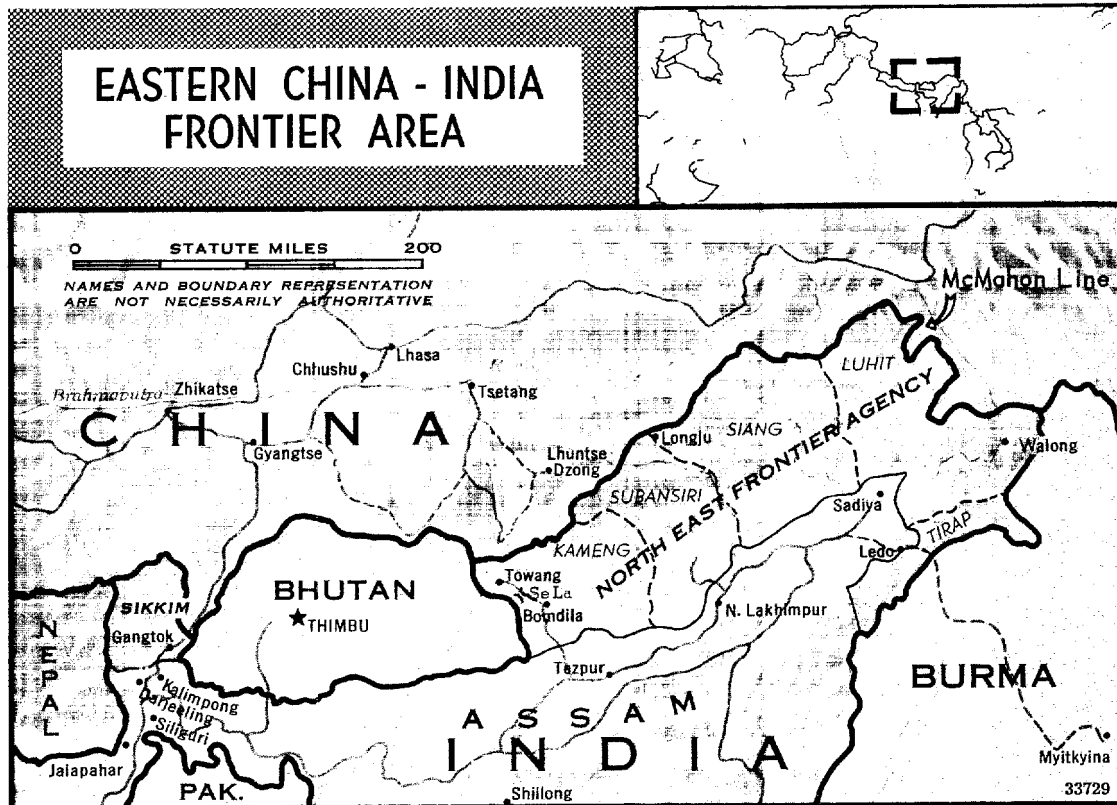
The change in emphasis over one year came about at least partially to meet Rumanian objections to supranational planning. Rumania's differences with Moscow and CEMA reportedly have been solved in a manner satisfactory to Rumania. It is widely rumored that Rumania will be allowed to proceed with development of its heavy industry in general and its steel industry in particular.

Other CEMA members also were beginning to register disapproval of some phases of the CEMA program and to seek more maneuverability in the bloc.

Although central planning as a long-term goal almost certainly has not been abandoned in Soviet policy formulations, this opposition, plus the enormous technical difficulties inherent in developing supranational planning and economic integration, probably influenced Moscow to postpone pressure for achievement of its goals rather than risk the unity and cohesion of the Soviet bloc.

25X1

**SECRET**

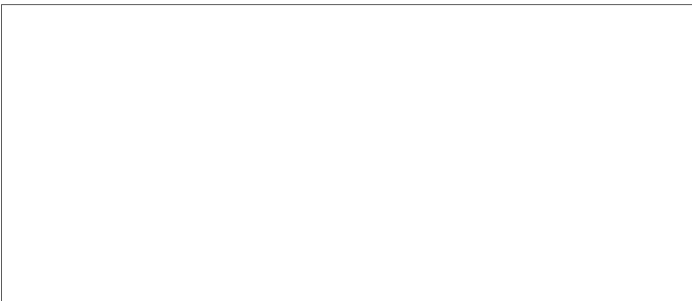


**SECRET**

Asia-Africa

**INDIANS FEAR CHINESE PLAN NEW MILITARY MOVES**

New Delhi is giving extensive publicity to its concern that Peiping is planning a new military thrust along the Himalayan border, particularly in the North-east Frontier Agency (NEFA). The Indians evidently hope thereby to discourage the Chinese from undertaking any new venture while at the same time disarming domestic critics of defense ties with the West.



Memories of last fall's military debacle serve to heighten Indian concern at any sign of stepped-up Chinese activity. At the present time, New Delhi is particularly fearful of being the victim of any sort of Chinese "breakout" following the failure of the Sino-Soviet talks in Moscow. New Delhi interprets other recent Chinese actions, such as Peiping's 17 July note to the Colombo powers listing Indian intrusions since the cease-fire went into effect in November 1962, as a Chinese effort to set the record straight before striking a new blow.

The NEFA area is especially vulnerable, both militarily and politically. When the Chinese withdrew this spring, the Indian army did not move back into the hills from which it had been ousted last fall. The army chose rather to maintain its strength on the plains of Assam until a later stage of its build-up. Hence, a quick Chinese reoccupation of NEFA--which the Chinese could accomplish with forces at hand and with little warning--would be essentially unopposed and could be explained as resulting from Indian refusal to negotiate.

25X1

Indian reports of a substantial Chinese build-up opposite NEFA cannot be confirmed.

Chinese propaganda over the past few months has been harsh but has not approached the tone or volume of Peiping's outpourings immediately prior to hostilities last fall. Both Foreign Minister Chen Yi and the authoritative People's Daily have recently reaffirmed China's commitment to a peaceful solution to the border problem. Peiping, however, has charged that New Delhi is using reports of a build-up to distract attention from India's growing military ties with the West, and has warned that the Indians must "bear the consequences" for any rash actions in the future.

25X1

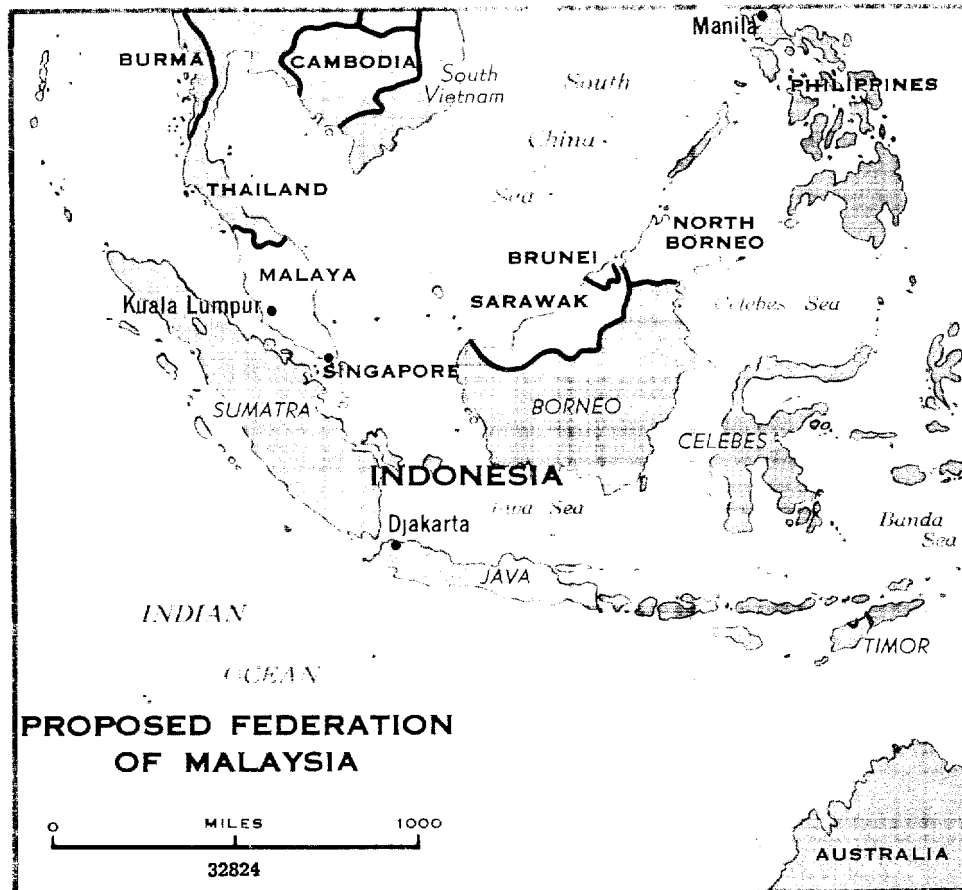
25X1

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 7



**SECRET**

Asia-Africa

**SUKARNO ALLOWS MALAYSIA PLAN TO PROCEED**

Indonesia's President Sukarno has evidently abandoned his formal objection to the Malaysian federation and will not openly oppose its going into effect on 31 August as scheduled.

In his meeting this week with Malaya's Prime Minister Rahman and Philippine President Macapagal, Sukarno accepted a formula which makes a cursory bow to his demand that the Borneo territories be allowed some form of self-determination. The conference endorsed an earlier statement by the three countries' foreign ministers that self-determination was to

be "ascertained by an independent and impartial authority, the UN secretary general or his representative."

U Thant had previously indicated that he would be prepared to consult the duly elected parliamentary representatives in the Borneo territories within two weeks after the meeting of the three leaders. He reportedly recognizes the North Borneo election of December 1962 as an overwhelming victory for the pro-Malaysian parties and the June 1963 elections in Sarawak as a satisfactory indication of pro-Malaysia wishes.

25X1

25X1

\* \* \*

**SECRET**

2 Aug 63

**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Page 8



33579

*Laos*

**SECRET**

Asia-Africa

**NEUTRALISTS AND RIGHTISTS STRENGTHEN FORCES IN LAOS**

While the military situation remains generally quiet, both the neutralists and right-wing forces have made further preparations against any future aggressive moves by the Pathet Lao.

General Phoumi's capabilities have been bolstered by the replacement of three aging T-6 piston trainer aircraft with T-28's possessing superior speed, range and load characteristics:

General Amkha, newly appointed chief of Souvanna's neutralist staff in Vientiane, is making efforts to reduce the neutralist forces' dependence on right-wing support. Charging that Phoumi has not been giving the neutralists a fair share of US supplies, Amkha has pressed the US to send supplies directly to the neutralists rather than through Phoumi. He also indi-

cated that he would attempt to improve the neutralist position by seeking the support of General Khamouane in Phong Saly and perhaps "redefecting" the dissident Colonel Deuane.

Little if any progress has been made in the negotiations, still under way, preparatory to a meeting between Souvanna and Souphannouvong on the Plaine des Jarres.

25X1

25X1

25X1

25X1

\* \* \*

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 9

**SECRET**

Asia-Africa

**U THANT STILL PLANNING CONGO WITHDRAWAL**

The program to retrain the Congo army (ANC) has not yet moved out of its preliminary stages, but US Secretary General Thant is sticking to his plan to pull out all UN troops from the Congo by the end of 1963.

Only the chief of the Belgian training group, Logiest, has arrived in the Congo. Twelve other officers he hopes to put into ANC headquarters are not expected until the middle of this month. Leopoldville is still screening some 180 Belgian officers who will do the actual training, and the Belgian military attaché recently admitted that the program will not actually get under way until after December.

Meanwhile the steady reduction of UN forces strength continues--from a peak of 19,000 to the present 5,100 combat troops. The presence of the "blue helmets," even in their reduced strength, has nevertheless continued to reassure UN civilians and Europeans. UN troops have quashed several clashes which otherwise would almost certainly have escalated. Thant, however, insists that all UN forces will have to be withdrawn in December, primarily because of the lack of adequate financing, and he intends to tell the Security Council so late this month. Thant reportedly believes that even apart from the money problem, UN forces should leave, on the grounds that it is time for the Congo to stand on its own feet and that the UN's mission is to keep peace, not to enforce internal order.

There is almost unanimous agreement among local US, UN and other diplomats that if Thant goes through with his plan, the ANC will not be able to maintain law and order. Last January Thant's military adviser said that a fairly large UN force would be required for one, possibly two, years and that it would be considerably longer before the UN could withdraw entirely. He is not known to have changed his view. Local US officials advise that a minimum of two highly mobile UN battalions should be maintained until June 1964, on the assumption that the ANC retraining program will then have been under way for a year.

Up to the present the ANC, especially the ten battalions in Katanga, has more often than not been the cause of disorders. Strong animosity prevails between the ANC and the Katangans and Europeans, and neither the UN nor ANC has moved to disband the roving remnants of Tshombé's army, which specialize in brigandage. Rumors and reports have revived that a new secessionist effort will be made once UN forces depart. Throughout the Congo the division of the original six provinces into 21, most of whose boundaries are contested, has added to the host of rivalries between political-tribal groups, which are replete with chain-swinging, spear-wielding youth corps. The upcoming parliamentary elections, probably to be held next spring, portend further unrest and instability at that time.

25X1

25X1

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 10

**SECRET**

Asia-Africa

**GREEK ELECTIONS SET FOR NOVEMBER**

Recent events in Greece appear to have strengthened both former Premier Karamanlis' moderate National Radical Union (ERE), and the Communist-front United Democratic Left (EDA) for the forthcoming national elections--now scheduled for 3 November.

The ERE, with 180 out of 300 seats in parliament, appears to have remained united since Karamanlis resigned in early June following a dispute over King Paul's proposed visit to Britain. The calling of early elections should help prevent defections from the party and from Karamanlis' personal following. While many leading members of ERE probably would prefer a new leader, less arbitrary in dealing with members of the government and party, there appears to be no alternative to Karamanlis at this time. The former premier, who remains in self-imposed exile in Switzerland, is believed to have gained considerable popular support for his stand against the royal family.

The largest of the non-Communist opposition parties, the slightly left of center Union (CU), meanwhile, appears to face serious internal problems. A long-festering dispute between party leader Papandreou and Sophocles Venizelos--number two man in the party--came into the open on 16 July. Other leaders in the CU apparently are making strenuous behind-the-scenes efforts to prevent com-

plete disintegration of the party on the eve of elections.

Prospects for EDA, the Communist left, continue to improve. The interim government's public disclosures following investigation into the violent death of a prominent left-wing deputy in Thessaloniki in May and the subsequent restrictive measures against security forces in northern Greece reportedly have contributed to a rejuvenation of EDA. A permanent split in the CU leadership would further enhance the EDA's chances for recovering support it lost between the 1953 elections, when it captured 25 percent of the vote, and 1961, when it held less than 15 percent.

Meanwhile, all opposition parties have denounced interim Premier Pipinelis' proposed electoral law. It calls for an electoral system similar to the one used in 1961 which provided for bonus seats for the parties winning the largest number of votes. The opposition demands a simple proportional system despite the fact that it might result in failure of either major non-Communist party to win a parliamentary majority and thus increase governmental instability and possibly place EDA in a pivotal position. The CU has threatened to boycott the election unless its demands on the electoral system are met and the Pipinelis government is replaced by a more representative government.

the CU

25X1

25X1

**SECRET**

**SECRET**

probably will eventually accept  
both the law and the government

and participate in the election.

25X1

# **HARD-LINE BAATHISTS CONSOLIDATE CONTROL IN SYRIA**

Major General Hafiz' elevation to the chairmanship of Syria's Revolutionary Command Council on 27 July appears to solidify hard-line Baathist control of Syria's government.

Hafiz, who is believed responsible for the regime's recent bloody suppression of pro-Nasir and other anti-Baathist elements, now holds most of the key positions in the government. Besides holding the chairmanship of the Command Council, he is army commander in chief, minister of defense and interior, and deputy to civilian Premier Salah Bitar.

Former chairman and army chief Atasi's conciliatory policy toward the regime's enemies, including Nasir, was probably the cause of his removal. Hafiz' rise appears to

be a portent that the younger and tougher military faction of the Baath is in the ascendancy and already may dominate the party. It also puts in doubt the future of Bitar, who has reportedly been losing support among the Baathist membership.

Egypt's attitude toward the change is probably foreshadowed by the reaction of the Cairo-controlled Middle East News Agency, which calls Hafiz Syria's "absolute ruler." The agency claims the change means that the Baathists intend to continue the "killings and arrests of the Syrian people." Cairo-directed subversive efforts against the Baathists may continue, but chances for upsetting the regime in the near future appear to be growing slimmer.

25X1

\* \* \*

**SECRET**

**ASSEMBLY GROUP STRENGTHS****THE GAULLIST MAJORITY:**

Union for the New Republic/Democratic Union of Labor (UNR/UDT)	233
Independent Republicans	34

**THE CENTER-RIGHT NON-GAULLISTS:**

Democratic Center (Composed primarily of the Popular Republicans and Independents)	55
--	----

**THE LEFT OPPOSITION:**

Democratic Assembly (Composed pri- marily of Radical Socialists and other left splinter groups)	39
---	----

Socialists (SFIO)	68
-------------------	----

Communists (PCF)	40
------------------	----

NO PARTY	13
----------	----

---

TOTAL ASSEMBLY MEMBERSHIP	482
---------------------------	-----

630731 2

25X1

**SECRET**

Europe

**DE GAULLE AND PARLIAMENT**

Parliamentary resentment over the De Gaulle government's steam-roller legislative tactics reached a high point as the spring session ended on 26 July. While posing no immediate threat to government stability, the willingness of some heretofore "safe" deputies to desert the majority on controversial issues is a warning of the danger of ignoring parliament's views in the future.

The last days of a parliamentary session in France usually bring irritation and bickering among the deputies. This year, however, the votes on two bills, which the government forced through by majorities reduced to the "unconditional" Gaullists of the Union for the New Republic (UNR) and the Independent Republicans, indicated a deeper feeling. On the bill to regulate strikes, the government, by refusing to accept any amendments, was isolated from all but its "unconditional" supporters.

Later, 23 Gaullist deputies, incensed over having to support a supplementary budget appropriations bill which they were not permitted to modify, voted against the measure, and 11 others abstained. These defections temporarily defeated

the bill but it passed subsequently when Finance Minister Giscard d'Estaing promised further housing credits in the October session.

Although the immediate problem was overcome by these concessions, the developing parliamentary opposition may have a long-range effect on UNR cohesiveness. Despite the party's victory last November on a platform of unconditional support for De Gaulle, the government's formulation of policy without consulting its loyal supporters has made UNR deputies restless. On electorally sensitive social and economic issues the UNR has been hurt by its inability to implement its promises of social improvements--such as housing credits--at a time when the more flexible non-Gaullist parties are espousing popular but expensive social measures. Labor and agriculture problems will come to the fore again this fall, and De Gaulle gave no indication in his 29 July press conference that he is going to be more flexible in his approach to the demands of these sectors. This will add to parliamentary pressures on the UNR deputies, although few will lightly give up the Gaullist label as long as De Gaulle remains active.

25X1

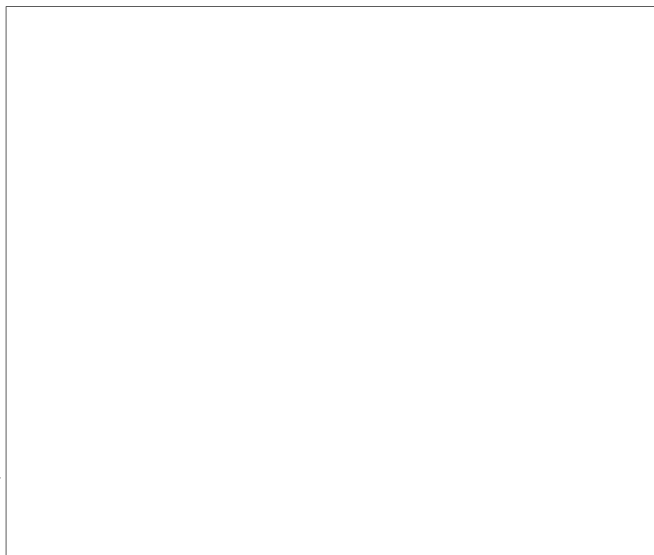
25X1

**SECRET**

**SECRET**

Europe

**AREA NOTES**



The Netherlands: The four-party coalition cabinet of confessional and Liberal parties formed in the Netherlands on 24 July is unlikely to make radical changes in the country's foreign and domestic policies.

The cabinet is headed by 46-year-old Victor Marijnen, the minister of agriculture in the outgoing government and one of the rising young leaders of the dominant Catholic People's Party. Foreign Minister Luns, a carry-over from the previous cabinet, is expected to be the dominant figure in the new government as he was in the last. <sup>25X6</sup>

The disagreements which developed in the protracted negotiations preceding the formation of the cabinet were confined to domestic issues, relating to such matters as the desire of the trade union wing of the Catholic People's Party to have the opposition Labor Party share cabinet responsibility, and economic and social policies to be pursued by the new government.

25X1



**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 14

**SECRET**

Western Hemisphere

**DOMINICAN REPUBLIC**

Dominican President Bosch has become involved in another domestic political crisis as the result of his promotion of a new and controversial property confiscation bill. The legislation was passed by the lower house of the Congress in an emergency session on 25 July. The proposed law would in effect permit government confiscation of private property without compensation and without legal recourse.

The proposal has created a furor in the press and has alienated almost all Dominicans of the property-owning and professional classes who had lately been less antagonistic toward Bosch. The US Embassy comments that although Bosch is probably in no immediate danger as long as the armed forces support the constitution, his prestige is at a new low.

In an emotional speech on 23 July, Bosch appealed for new legislation to prevent what he portrayed as an imminent effort by relatives of ex-dictator Trujillo to regain their extensive properties, which were confiscated by the government, through fraudulent maneuvers in the court. Bosch's political party called for popular demonstrations in support of the President, and the peasant federation associated with the party proclaimed a "state of alert." The 14th of June Political Group, a pro-Castro political party, gave

immediate support to Bosch and was probably responsible for the anti-US tone of the demonstrations which took place outside the Congress building while the bill was under consideration.

The bill, which was passed in the lower house without public debate or hearings, gives Congress the power to seize properties of anyone declared guilty of having "illegally" profited from an official position at any time. The US Embassy comments that the bill violates a number of traditional legal principles, including the right of accused persons to be notified in advance, to offer defense, and to appeal judgment.

Bosch's motives for advocating the new legislation are unclear. Some of his critics suggest that Bosch is creating a "smokescreen" to obtain a new law which would allow confiscation on vague grounds. Although he has told Ambassador Martin that he is only trying to protect the confiscated properties for use in agrarian reform and urban housing projects, Bosch has previously intimated in private an intention to confiscate property without compensation to gain peasant support. There is usually a seasonal slack period in the Dominican Republic from September to December, and Bosch may lose peasant and lower class support unless he can create more jobs.

25X1

25X1

**SECRET**

**SECRET**

Western Hemisphere

**SHOWDOWN MAY BE APPROACHING IN BOLIVIAN MINING CRISIS**

Strikes called in protest of government reform measures have been suspended since 26 July to permit the miners to convene an "extraordinary" union congress on 29 July to decide on future policy. Also on 29 July miners attacked the stronghold of a progovernment peasant leader near the key mine area of Catavi, which may indicate that they intend to step up their militancy against the government, and that the crisis may be coming to a head.

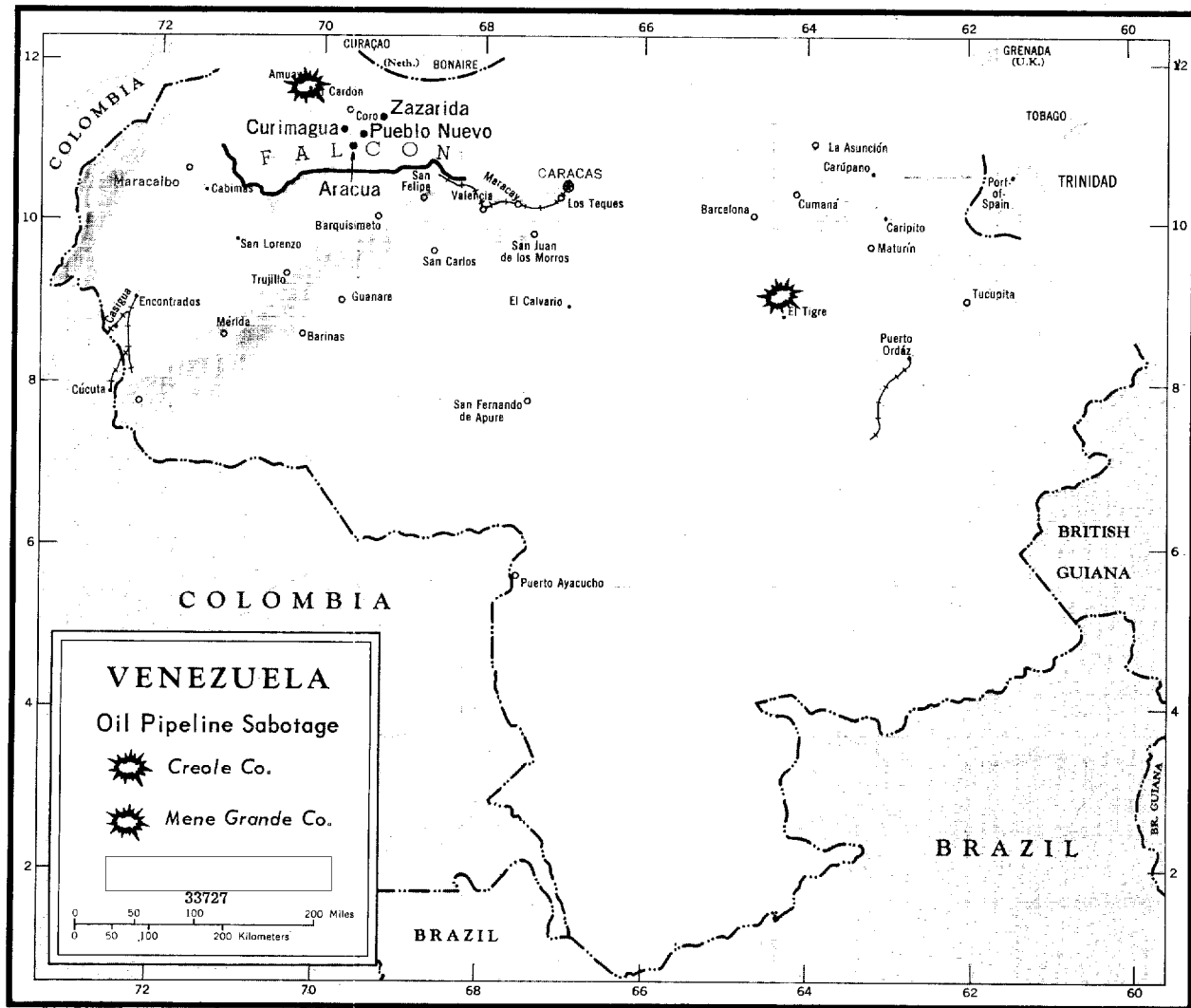
The miners' congress was held in Oruro, a mining center near Catavi. About 5,000 miners reportedly took part in the accompanying rally in which numerous anti-US and antigovernment signs were prominently displayed. Three Communist union leaders reportedly made fiery speeches along the same lines. The congress ostensibly was called to "study" the government's mine reform proposals, but its actual purpose may have been to lay plans for a stepped-up campaign of resistance to the government's program.

The 29 July attack reportedly resulted in the death of a proregime peasant leader and the capture of a large cache of arms. The miners also gained control of a radio station over which they have since been broadcasting antigovernment propaganda. The national peasant organization, which is loyal to President Victor Paz Estenssoro and has hitherto been responsive to his direction, has threatened to take matters into its own hands unless the government apprehends the "criminals" within ten days.

The government probably would prefer to use the peasant militia rather than the army to restore order, in order to avoid the charge of using repressive measures against the miners. Nevertheless, if conditions continue to grow worse, President Paz may be forced to declare limited martial law or a state of siege in the area, and send in national police or possibly the army.

25X1

**SECRET**



25X1

25X1

**SECRET**

Western Hemisphere

**COMMUNIST TERRORISM CONTINUES IN VENEZUELA**

The Communist-led pro-Castro Armed Forces of National Liberation (FALN) continues successfully to harass the Venezuelan Government despite the latter's efforts to end the terrorism.

A government statement attributed the 25 July prison break in Caracas to the activities of FALN terrorists, who reportedly provided covering fire for the estimated 600 escapees. It is likely that many of the 50 prisoners still at large several days later joined terrorist groups in the capital.

On 25 July, an oil pipeline of the Mene Grande Oil Company, a Gulf subsidiary, was damaged by explosives and three highway bridges were reportedly destroyed. The US ambassador reported that these incidents, occurring on the day of the prison break, suggest coordinated action.

On 27 July, a group of terrorists, presumably FALN

members, dynamited a Creole Petroleum Corporation (Standard of New Jersey) pipeline in western Venezuela, causing damages estimated at \$50,000 and forcing the company to shut down the damaged line and an adjoining line. During the past several days FALN units overran four small towns in Falcon State where the army and air force have staged strong counter guerrilla operations since early in the year. A band of sixty armed men reportedly overpowered police and took control of one town for several hours.

In early July several sabotage attacks were made on important US-owned oil installations in two eastern states.

The Venezuelan Government, with US assistance, is trying to improve the capabilities of its law enforcement agencies to counter the violence. However, President Betancourt's plan to unite the security forces in Caracas is encountering delay owing to the difficulty of finding a qualified man to head the new organization.

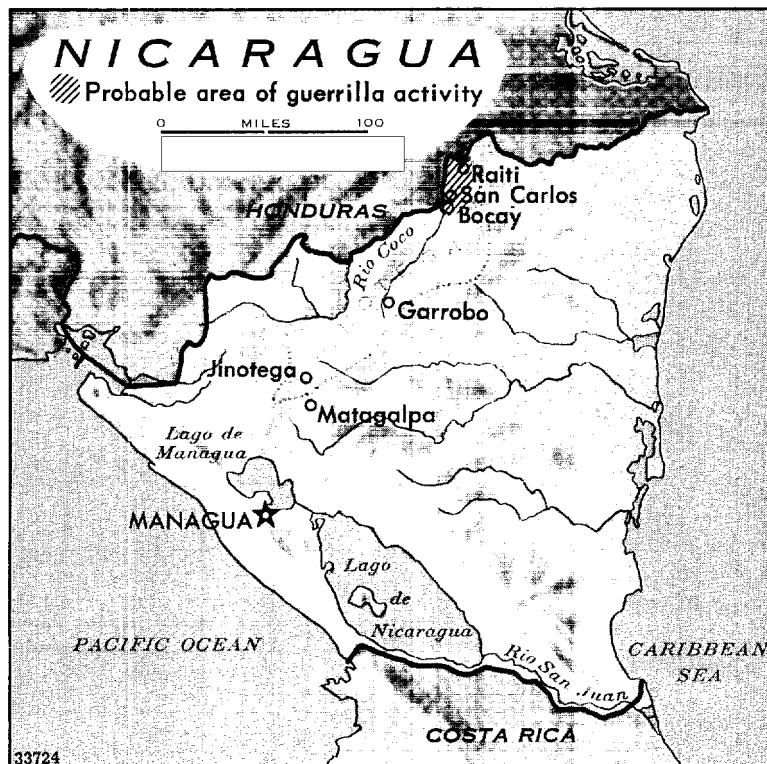
25X1

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 17



25X1

**SECRET**

Western Hemisphere

**AREA NOTES:**

Guatemala: The Peralta government seems to be having little success in drumming up nationalistic support at home in its old quarrel with the British over the neighboring territory of British Honduras. The current round in the dispute was sparked by Guatemala after London refused to confer with Guatemalan representatives before announcing on 22 July that British Honduras would be granted a greater measure of political autonomy on 1 January 1964.

Since breaking diplomatic relations with London on 24 July, the Guatemalan Government has given heavy publicity to the dispute and to unsubstantiated rumors of a British military build-up in the Belize area. Guatemalan Air Force fighters are flying reconnaissance missions over the border area, and the government has sent some 70 infantrymen to military posts near the border. It has also issued a decree requiring the special registration of all British nationals in the country. The government may also be considering the suspension of Guatemalan-British commercial ties and the submission of a formal complaint to the UN. By taking a vigorous stand, the government hopes to stimulate a favorable domestic reaction and to induce the US to mediate the dispute. [REDACTED]

Nicaragua: A small band of guerrillas has crossed the border

from Honduras into Nicaragua and has reportedly been located by the Nicaraguan air force in a remote area near Bocay, Department of Jinotega. The group is apparently composed of members of the National Liberation Front (FLN), a Communist-dominated and Cuban-supported revolutionary organization active in Honduras and Nicaragua.

The Nicaraguan National Guard has sent reinforcements to the city of Jinotega. Although there is no indication that this is more than an isolated incident, the Cuban-trained leaders of the FLN may be planning further actions. [REDACTED]

25X1

Peru: Fernando Belaunde Terry was inaugurated as President of Peru on 28 July. On the basis of his cabinet appointments and the tenor of the inaugural speech, the new government will be reform-oriented, emphasizing a two-year plan for the construction of new highways, expanded health programs, education, and housing. Belaunde hopes to attract international financing for his many projects. Foreign Minister Schwalb has said there will be no change in policy regarding Cuba and reportedly has rejected the possibility of Peru's establishing relations with Communist countries. [REDACTED]

25X1

25X1

25X1

25X1

25X1

**SECRET**

2 Aug 63

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 18

**Page Denied**

***SECRET***

***SECRET***

**Page Denied**